

STATE OF HAWAII
Accounting Manual

Volume III

Part 300: Deductions from Gross Payroll

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SECTION 355: U.S. SAVINGS BONDS

General Comments

Employees (and officers) of the State of Hawaii may participate in the U.S. Savings Bonds Payroll Savings Plan by authorizing the Comptroller, in writing, to make deductions from payroll compensation. The deductions are used to purchase U.S. Savings Bonds according to the employee's instruction on the application.

When the authorized deductions have accumulated to an amount sufficient for the purchase of the bond specified, the bond is issued, on a recurring monthly cycle, and is mailed directly to the purchasing employee.

At the end of each pay period, each employee-purchaser, whether or not a bond was issued in that pay period, is provided with information disclosing the activity in his bond deduction account through his EMPLOYEE'S EARNINGS, DEDUCTIONS, AND LEAVE STATEMENT.

Forms

The U.S. SAVINGS BONDS PAYROLL SAVINGS APPLICATION CARD (Federal SBD Form) is the form used to report a request for salary assignment or to change or cancel the amount assigned as savings bond assignment. (Note: The form number for calendar year 1973 is SBD950 and is subject to change each year for each bond drive.) The form is also used to request a refund of unused savings bond deduction balances. Refer to Part 700, Appendix, for form illustrations and related instructions.

Procedures

The General Voluntary Deduction Procedures as presented in SECTION 340: VOLUNTARY DEDUCTIONS are followed in processing U.S. Savings Bonds assignments, changes, or cancellation of assignments.

Exceptions to the General Voluntary Deduction Procedures are as follows:

I. DEPARTMENTAL:

A. Preparation, Review, and Routing of Federal SBD Forms.

1. The appropriate office within the employing department may assist any employee in completing one copy of the U.S. SAVINGS BONDS PAYROLL SAVINGS APPLICATION CARD, Federal SBD Form. A designated office of the employing department or agency reviews the form for completeness.

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Procedures (cont'd.)

2. Forms for new or revised bond assignments must be batched and submitted, on a daily basis, to Central Payroll, but no later than 4:00 p.m. of the first work day of the month, if they are to be reflected in the payroll for that month.

3. Forms for bond cancellations or refunds must be submitted by 4:00 p.m. of the 3rd work day of either pay period in a month, if they are to be reflected in that pay period.

B. Receipt and Verification of the CONFIRMATION OF BOND APPLICATION.

1. This report is printed for every bond application, or changes thereto, and lists, among other data that have been recorded in computer files from Federal SBD Form, information relating to the purchase of savings bonds of an employee. The report is received in one copy from Central Payroll before noon of the 3rd work day before pay day.

2. The report is filed in the individual employee's personnel jacket by pay period for future reference purposes.

II. CENTRAL PAYROLL PROCEDURES:

A. Receipt and Distribution of the CONFIRMATION OF BOND APPLICATION.

Upon receipt of the CONFIRMATION OF BOND APPLICATION report from the data processing center, the report is immediately sent to the respective departments or agencies.

B. Receipt and Disposition of Related Special Outputs.

1. At the end of each pay period, the following related special outputs are received from the data processing center:

- | | |
|-------------------------------------|------------------------------|
| a. BOND ACCOUNT REPORT | - 1 copy |
| b. BOND MASTER UPDATE ACTION REPORT | - 1 copy |
| c. BOND REFUND REGISTER | - 2 copies |
| d. SAVINGS BOND REGISTER | - 2 copies |
| e. U.S. SAVINGS BONDS | - certificates
with stubs |

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Procedures (cont'd.)

2. After a summary review of the special reports and registers, they are filed for future reference purposes, except for the U.S. Savings Bonds, which are mailed to the respective employees. The detached stubs are batched and delivered to the savings bond agent (First Hawaiian Bank) for further processing and final disposition.

3. At the end of each pay period, each employee-purchaser, whether or not a bond was issued in that pay period, is provided with information disclosing the activity in his bond deduction account through his EMPLOYEE'S EARNINGS, DEDUCTIONS, AND LEAVE STATEMENT.